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DE RUEHKH #0730/01 1590739  
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FM AMEMBASSY KHARTOUM  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3919  
INFO RUCNFUR/DARFUR COLLECTIVE  
RUEHGG/UN SECURITY COUNCIL COLLECTIVE  
RHMFIS/CJTF HOA  
RUEHBS/AMEMBASSY BRUSSELS 0066  
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UNCLAS SECTION 01 OF 03 KHARTOUM 000730

DEPT FOR SE GRATION, S/USSES, AF A/S CARSON, AF/C  
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E.O. 12958: N/A  
TAGS: ASEC PGOV PREL KPKO SOCI AU UNSC SU  
SUBJECT: NGO AFFILIATES UPDATE

REF: A) KHARTOUM 593

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SUMMARY  
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¶1. (SBU) Since mid-May, European affiliates of three expelled U.S. non-governmental organizations (NGOs) have begun official procedures to commence (or expand, in the case of one of the affiliates) humanitarian operations in Sudan in line with agreements reached with the USG. On June 4, U.S. Embassy and USAID staff met with Government of National Unity (GNU) Ministry of Foreign Affairs (MFA) and Humanitarian Aid Commission (HAC) officials to discuss progress on the implementation of the Special Envoy's early April framework and outstanding points of contention. Despite initial delays, implementation of the "affiliate arrangement" has started to gain momentum since late May, with the government issuing eight visas for NGO advance teams and agreeing to process affiliate registrations within seven days of official receipt.

¶2. (SBU) However, Post notes several points of disagreement between U.S. and GNU officials on elements of the framework, namely the timeframe that staff who previously worked for expelled NGOs can work in Sudan and the disposition of expelled NGO assets. GNU officials view the Special Envoy's framework as only applying to the transfer of U.S.-funded assets from American NGOs to affiliates or remaining NGOs, an interpretation that Embassy and USAID officials reject. Post plans to continue to raise these concerns with GNU officials during weekly monitoring meetings to ensure that affiliate NGOs can commence operations as quickly as possible to meet humanitarian needs. End Summary.

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Tracking the Special Envoy's Framework  
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¶3. (SBU) On May 31, MFA and HAC officials met with Embassy officers, including USAID, to review progress on the Special Envoy's framework. The framework - termed an "agreement" by the GNU - permits inter alia the three largest expelled U.S. NGOs - CARE, Save the Children/U.S. (SC/US), and Mercy Corps - to provide their experience and resources to a fully-independent, but affiliated, NGO that would register as a new organization (or that is already registered in the case of one) in Sudan. During an earlier meeting that same day, Embassy and USAID staff noted a number of

outstanding issues suggesting that the GNU was not meeting commitments, including delays issuing visas for NGO assessment teams, lack of clarity on registration timelines, and the disposition of expelled NGOs' assets. The GNU agreed to consult at higher-levels (through the intervention of Presidential Advisor Dr. Ghazi Salahudin with HAC and presumably with the National Intelligence and Security Service --NISS) during the week, after which the group reconvened on June 4 to review progress.

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NGO Registrations - GNU Agrees to "Fast-Track"  
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¶4. (SBU) On June 4, Director of the GNU HAC NGO Section and Director General of the Joint Procedures Center Ahmed Adam reported that the HAC had received the Mercy Corps affiliate's official registration packet and planned to finalize the registration "within three or four days," placing the deadline for completion on or around June 7. Adam said t once the HAC receives the CARE affiliate's official registration packet in Khartoum, the government will complete the registration process within seven days. (Note: CARE submitted the package to the Sudanese Embassy in Geneva on June ¶3. End Note.) Adam's commitment to process registrations within seven days of official receipt is a significant development; during previous meetings, the HAC said affiliate NGO registration would take two months, as "agreed during the May discussions with Dirk Dijkerman."

¶5. (SBU) However, registration is only the first step for the NGOs to become operational. Following registration, affiliate NGOs will have to negotiate country agreements, as well as technical

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agreements (TAs). (Note: Regarding the fourth expelled organization in the Special Envoy's framework, AECOM, USAID and the GNU Ministry of International Cooperation have agreed to sign an Implementation Protocol on June 8 following approvals from the governors in the Three Areas, which would allow AECOM to immediately begin implementing its vital on-going recovery and conflict resolution programs in the Three Areas. End note.) TAs can take considerable time to negotiate and finalize at the state and federal levels, and provide the basis for determining authorized staff levels and assets for NGO programs. As such, program staff cannot obtain entry visas without the inclusion of an approved TA. Per Ref A, as part of the "Sudanization" of humanitarian programs announced by Sudanese President Omar al-Bashir in March, the HAC is requiring NGOs to partner with a local NGO in addition to line ministries. To date, the HAC has refused to sign TAs for least two USAID NGO partners due to lack of an identified local NGO partner.

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Visas for Advance Teams: Two Steps Forward?  
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¶6. (SBU) From May 12- 28, affiliate staff from SC, CARE, and Mercy Corps submitted initial entry visa applications for advance teams to conduct assessments and commence program start-up procedures. However, until mid-May, this process stalled, with NGO staff unable to obtain visas. However, following intervention by Special Envoy Gration at high-levels of government, the process has begun to proceed rapidly. During May 28-June 2, the government issued visas to six SC staff and 3 CARE staff, and since May 29, four of the SC staff and two of the CARE staff have arrived in Sudan. On May 31, the HAC informed CARE that the government would expeditiously process the visas for the remaining CARE affiliate staff who have not previously worked in Sudan. On June 4, the HAC confirmed this to Embassy and USAID staff, adding that visas would also be approved for Mercy Corps staff in Nairobi and Washington. The HAC and MFA noted that security had "black-listed" all individuals who had previously worked for expledled NGOs in Sudan They said such staff could only work in Sudan on a temporary basis pending visa approval. Embassy representatives noted the framework did not specify a limited timeframe for such NGO staff to work in Sudan. They underscored the framework's intention was to allow staff with critical expertise and/or technical skills to assist affiliates to implement programs. USG and GNU officials agreed to raise this

issue with their respective authorities.

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Transfer of Assets: Two Steps Back?  
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¶ 17. (SBU) On the issue of disposition of expelled NGO assets, the HAC reported that for the purposes of the Special Envoy's framework, the government was focused only on the transfer of U.S.-funded assets from American agencies, including SC/US, CARE, Mercy Corps, CHF International, the International Rescue Committee, and PADCO/AECOM, to European affiliates or remaining NGOs. However, USAID also funded French NGOs Action Contre La Faim and Solidarities. USAID grant regulations also apply to the disposition of these two NGOs' assets. Under their interpretation of the agreement, GNU counterparts insisted that only U.S. NGO assets would be considered as a part of the framework, and noted that the HAC would decide on the transfer of assets from one NGO to another through TAs. After considerable discussion of USAID grant requirements, the government agreed to be "flexible" on this issue.

¶ 18. (SBU) In addition to discussing U.S.-funded assets, USG officials underscored that the disposition of assets is an issue for other donors, and noted that Special Envoy Gration's intention was to include other donors and the UN in the issues discussed. In response, the MFA welcomed other donors to take the same initiative as the USG and "send their own special envoys." In this regard, four major donors, the U.S., United Kingdom, Canada, and the European Commission have come together to submit a letter of concern regarding the disposition of assets and severance payments following the early March expulsions. On May 27, the donors signed the letter and subsequently delivered a note verbale to the MFA, requesting a

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meeting with the Ministry of Humanitarian Affairs (MHA) to present and discuss the contents of the letter. However, the MHA has refused to meet with all donors at the same time, requesting separate bilateral discussions instead. For their part, donors are insisting on a group meeting to address this issue.

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Building National Capacity  
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¶ 19. (SBU) With regard to the USG's commitments under the framework, MFA and HAC officials raised the issue of building Sudanese national capacity. Adam noted that Sudanese Presidential Advisor and new Darfur Coordinator Dr. Ghazi Salahudin had requested clarification on how the USG intends to build this capacity, and inquired whether capacity building could occur through transfer of assets to government institutions. (Note: In a subsequent meeting with the USAID Mission Director, HAC Commissioner-General Hassabo Mohamed Abdelrahman and Ahmed Adam also raised this issue, noting that the HAC plans to provide USAID a proposal on building national capacity. End Note.)

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Comment  
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¶ 110. (SBU) After standing idle for approximately two weeks (while the GOS reviewed and finally approved public talking points explaining that affiliates of expelled NGOs would be entering Sudan to begin providing humanitarian assistance) some positive movement on the Special Envoy's framework is taking shape, namely on the issuance of initial entry visas for advance teams and affiliate NGO registrations. In addition, Dr. Ghazi Salahudin has reacted quickly to feedback received from the Special Envoy's office and tasked his colleagues in the HAC and MFA to implement the specifics of the framework expeditiously. Per the framework understanding with the GNU, assets should be transferred not only from expelled American NGOs, but also from all expelled U.S.-funded NGOs to remaining NGOs and/or affiliates. Adam's assertion that assets would only be transferred to affiliates based on the size of the proposed program poses a further concern, as it allows the HAC the freedom to

interpret which assets are essential for NGO operations and could possibly lead to further delays in commencing operations. Despite Adam's parting assurance that the HAC will be flexible on the question of seized assets, this issue will require additional follow-up to ensure that the affiliate NGOs will have the resources they need to quickly commence operations once they have international and local staff in place.

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